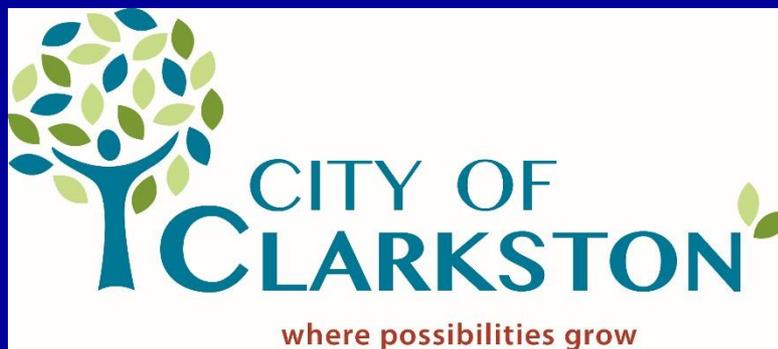


# PUBLIC HEARING TO ADOPT THE 2016 MILLAGE RATE



**City of Clarkston**  
**July 5, 2016**

## AGENDA

- Millage rate presentation and discussion
- Public Hearing
- Adopt resolution setting the final millage rate

Regular Meeting – July 5, 2016



# Process



- The Council must hold three public hearings
  - ▣ June 29<sup>th</sup> - 3:00 pm Public Hearing
  - ▣ July 5<sup>th</sup> - 10:00 am Public Hearing
  - ▣ July 5<sup>th</sup> – 7:00 pm Regular Meeting
  
- The purpose of the meetings is to take public comment on the millage rate for consideration in setting the final adopted rate
  
- After the conclusion of the final Public Hearing, the Council will vote to adopt the final millage rate for 2016

# FIRST...

## A FEW DEFINITIONS



# Appraised Value



The total estimated value of your property (land and building), as determined by the DeKalb County Tax Assessor's Office

# Assessed Value



- Typically 40% of the Appraised total value
- You may have exemptions that will lower this amount even more, e.g.... Homestead and Over age 65

# Tax Digest



- The value of all the property in an area
- Like your individual property, this figure is generally given at 40% of the total appraised value

# What is a “mil”?

A property tax levy of \$1.00 per \$1,000 of taxable property value

So, if the rate is *10 mils*, then you would owe 10 dollars for every \$1,000 of the *assessed* value for your house.



# Rollback Rate



The rollback rate is the millage rate that would raise the same amount of revenue as last year if applied to the current tax digest.

# NOW FOR THE NUMBERS...



# Calculating the Millage Rate

Property taxes are calculated based on the difference between planned expenditures and forecasted revenues from all other sources

$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

# Calculating the Millage Rate



|   |                        |
|---|------------------------|
| Estimated Expenditures  | \$5,116,311            |
| Estimated Revenues  | \$5,116,311            |
| Amount Needed to Balance  | <u>\$2,146,782</u> ←   |
| <b>(public utility, motor vehicle, personal &amp; real prop.)</b> |                        |
| Gross Digest  | \$147,124,307          |
| Exemptions  | -\$1,993,073           |
| Net Digest  | <u>\$145,131,234</u> ← |
| <b>(amount after exemptions)</b>                                  |                        |

# Calculating the Millage Rate



$$\text{Tax Rate} = \frac{\text{Amount Required}}{\text{Net Tax Digest}}$$

$$\text{Tax Rate} = \frac{\$2,146,659}{\$145,131,234}$$

$$\text{Tax Rate} = 0.0147911_{(14.792)}$$

# Calculating the Millage Rate



|                              |                    |
|------------------------------|--------------------|
| Current Millage Rate         | 17.11              |
| Proposed Millage Rate        | <u>15.11</u>       |
| Difference                   | - (2.00) mils      |
| 4% Salary Scale Adjustment = | .293 mils          |
|                              | <u>14.792 mils</u> |
|                              | 15.085 (-.025)     |

1 Mil = 145,131.00

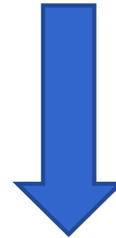
# Gross Digest History



|             |                      |  |
|-------------|----------------------|--|
| 2007        | \$100,673,813        |  |
| 2008        | \$99,248,731         |  |
| 2009        | \$97,624,713         |  |
| 2010        | \$92,764,259         |  |
| 2011        | \$77,799,972         |  |
| 2012        | \$70,278,203         |  |
| 2013        | <b>\$64,729,727</b>  |  |
| 2014        | \$70,738,477         |  |
| 2015        | \$108,965,588        |  |
| <b>2016</b> | <b>\$147,124,307</b> |  |

## City of Clarkston Net Digest Reductions

- 16.13% decrease in 2011
- 9.7% decrease in 2012
- 7.9% decrease in 2013
  
- 9.38% increase in 2014
- 53.8% increase in 2015
- **25% increase in 2016**



# Tax Millage History



| <u>Fiscal Year</u> | <u>Millage Rate</u> |
|--------------------|---------------------|
| 2005               | 11                  |
| 2006               | 11                  |
| 2007               | 11                  |
| 2008               | 11                  |
| 2009               | 11                  |
| 2010               | 11.313              |
| 2011               | 14.00               |
| 2012               | 17.95               |
| 2013               | 17.95               |
| 2014               | 21.11               |
| 2015               | 17.11               |
| 2016               | 15.11 (proposed)    |

# Proposed Millage Rates of DeKalb Cities



|                               |                        |                   |
|-------------------------------|------------------------|-------------------|
| □ Avondale Estates            | 9.957                  | (10.957mil)       |
| □ Brookhaven                  | 2.795                  | (2.74mil)         |
| □ Chamblee                    | 6.4                    | (6.4mil)          |
| □ Decatur                     | 11.08 <sub>(50%)</sub> | (10.68 mil)       |
| □ Doraville                   | 8.5                    | (8.5mil)          |
| □ Dunwoody                    | 2.74                   | (2.74 mil)        |
| □ Lithonia                    | 17                     | (16.5mil)         |
| □ Pine Lake                   | 21.402                 | (20.381 mil)      |
| □ Stone Mountain              | 22                     | (22.27mil)        |
| □ <b>Clarkston (proposed)</b> | <b>17.11</b>           | <b>(15.11mil)</b> |

# Increase In Net Digest DeKalb Cities



|                    |                        |
|--------------------|------------------------|
| □ Avondale Estates | \$10.34 Million        |
| □ Brookhaven       | \$288 Million          |
| □ Chamblee         | ?                      |
| □ Decatur          | \$96.2 Million         |
| □ Doraville        | \$4.5 Million          |
| □ Dunwoody         | \$172 Million          |
| □ Lithonia         | \$4.2 Million          |
| □ Pine Lake        | \$1.09 Million         |
| □ Stone Mountain   | ?                      |
| □ <b>Clarkston</b> | <b>\$36.17 Million</b> |

SO.....

What does this mean for  
the taxpayer?



# How are my taxes computed?

|                            |                 |                              |
|----------------------------|-----------------|------------------------------|
| Appraised Value            | 75,000          |                              |
| Assessed Value             | 30,000          |                              |
| <b>Taxable Value</b>       | <b>30,000</b>   |                              |
| Divided by 1,000           | 30              |                              |
| X Millage Rate             | 15.11           |                              |
| <b>City Property Taxes</b> | <b>\$453.30</b> | <b>(\$513.30) (\$633.30)</b> |
|                            | <b>- \$60</b>   | <b>- \$180</b>               |

# How are my taxes computed?



|                            |                 |                   |                   |
|----------------------------|-----------------|-------------------|-------------------|
| Appraised Value            | 100,000         |                   |                   |
| Assessed Value             | 40,000          |                   |                   |
| <b>Taxable Value</b>       | <b>40,000</b>   |                   |                   |
| Divided by 1,000           | 40              |                   |                   |
| X Millage Rate             | 15.11           |                   |                   |
| <b>City Property Taxes</b> | <b>\$604.40</b> | <b>(\$684.40)</b> | <b>(\$844.40)</b> |
|                            |                 | <b>- \$80</b>     | <b>- \$240</b>    |

# How are my taxes computed?

|                            |                 |                     |                     |
|----------------------------|-----------------|---------------------|---------------------|
| Appraised Value            | 150,000         |                     |                     |
| Assessed Value             | 60,000          |                     |                     |
| <b>Taxable Value</b>       | <b>60,000</b>   |                     |                     |
| Divided by 1,000           | 60              |                     |                     |
| X Millage Rate             | 15.11           |                     |                     |
| <b>City Property Taxes</b> | <b>\$906.60</b> | <b>(\$1,026.60)</b> | <b>(\$1,266.60)</b> |
|                            | <b>-\$120</b>   |                     | <b>- \$360</b>      |

# How are my taxes computed?



|                            |                   |                     |                     |
|----------------------------|-------------------|---------------------|---------------------|
| Appraised Value            | 200,000           |                     |                     |
| Assessed Value             | 80,000            |                     |                     |
| <b>Taxable Value</b>       | <b>80,000</b>     |                     |                     |
| Divided by 1,000           | 80                |                     |                     |
| X Millage Rate             | 15.11             |                     |                     |
| <b>City Property Taxes</b> | <b>\$1,208.80</b> | <b>(\$1,368.80)</b> | <b>(\$1,688.80)</b> |
|                            |                   | <b>- \$160</b>      | <b>- \$480</b>      |

# PUBLIC HEARING

## QUESTIONS - COMMENTS

